

NOVEMBER 20, 1989

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON NOVEMBER 20, 1989, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

\* \* \* \* \*

MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 44637	<u>T32S, R19W, SLB&amp;M.</u>	Iron
Warren L. Jacobs	Sec. 2: All	636.64 acres
Henry C. Davis		
4574 South 700 East, #1		
Murray, UT 84107		

CREDIT: \$3.00

Min. Lease Appl. No. 44638	<u>T31S, R18W, SLB&amp;M.</u>	Iron
Warren L. Jacobs	Sec. 32: All	640.00 acres
Henry C. Davis		
4574 South 700 East, #1		
Murray, UT 84107		

PAGE NO. TWO  
NOVEMBER 20, 1989

METALLIFEROUS MINERALS LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date is December 1, 1999.

Min. Lease Appl. No. 44639	T9S, R5W, SLB&M.	Tooele
Barrick Resources (U.S.A.) Inc.	Sec. 21: NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$	1465.48 acres
P.O. Box 838	Sec. 22: SE $\frac{1}{4}$ SW $\frac{1}{4}$	
Tooele, UT 84074-0838	Sec. 25: SW $\frac{1}{4}$ NW $\frac{1}{4}$	
	Sec. 26: Lot 3, S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$	
	Sec. 27: N $\frac{1}{2}$ NW $\frac{1}{4}$	
	Sec. 28: E $\frac{1}{2}$	
	Sec. 33: N $\frac{1}{2}$ NE $\frac{1}{4}$	
	Sec. 34: NW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$	
	Sec. 35: Lot 4, NE $\frac{1}{4}$ NW $\frac{1}{4}$	

DUE: \$26.00

TOTAL ASSIGNMENTS--METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Bonner, the Director, approved the assignment of the Metalliferous Minerals Leases listed below to Pioneer Exploration, Suite 145, 6925 Union Park Center, Midvale, UT 84047, by Gage Minerals Corporation. No override.

LEASE OWNERSHIP: GAGE MINERALS CORPORATION

....ML 44396....ML 44397....ML 44398....ML 44399....

APPROVAL OF THE PINTO UNIT

Samedan Oil Corporation, operator of the Pinto Unit, has furnished this office with evidence that this unit was approved by the Bureau of Land Management on July 19, 1989.

The records of the following lease should be noted to show this approval:

ML 28427            MCOR Oil & Gas Corporation, et.al.

Upon recommendation of Mr. Bonner, the Director noted the approval of the Pinto Unit by the Bureau of Land Management.

PAGE NO. THREE  
NOVEMBER 20, 1989

APPROVAL OF RECORD OF DECISION, RECORD NUMBER 89-0629-COALVILLE  
GAS STORAGE AGREEMENT, BY DIRECTOR ON SEPTEMBER 7, 1989

On June 4, 1979, the Director approved the commitment of State land to the Coalville Gas Storage Agreement. Under this agreement, natural geologic structures that are themselves not producing oil or gas are used to store gas produced elsewhere. The stored gas is later withdrawn for transportation and distribution. This agreement covers 910.00 acres of which 40.00 acres or 4.39 percent are State lands. The State land is under State of Utah Oil, Gas, and Hydrocarbon Lease ML 30041. This lease prevents other potential lessees from entering and removing injected gas from the natural geologic formation. The agreement provides for an annual fee of \$1 per acre and a withdrawal fee of \$0.01 per MCF (15.025 psia) on the State's proportionate share of all gas withdrawn from the storage zone. This agreement became effective July 1, 1979, and provided for a review and renegotiation of these fees at the end of ten years.

Division personnel have met with representatives of Questar Pipeline Company, operator of the Coalville Gas Storage Agreement and in discussions, have reviewed the preceding ten year period as it relates to this Storage Agreement and the gas pipeline industry in general. With consideration to long range planning requirements inherent in the oil and gas industry, a ten year review period appears appropriate. In addition, current gas prices and competitiveness in the gas pipeline transportation sector dictate the current fee structure presently in place is both fair and equitable to the parties involved. A random sampling of other Coalville Gas Storage Agreement participants indicates that the fees are consistent with the market price.

Upon review and evaluation of the rules, application, and pertinent information received concerning the Coalville Gas Storage Agreement, the Director agreed that the best interest of the trust could be served by extending for an additional ten year period, the present fee structure as is currently in effect. The records of the Coalville Gas Storage Agreement and State of Utah Oil, Gas, and Hydrocarbon Lease ML 30041 should be noted to show that the Director approved Record of Decision, Number 89-0629-Coalville Gas Storage Agreement, on September 7, 1989; and that the ensuing fee structure commencing July 1, 1989, and ending June 30, 1999, shall remain the same as under the initial ten year period.

Record of Decision 89-0629-Coalville Gas Storage Agreement was approved by the Director on September 7, 1989, and is submitted on these minutes by Mr. Bonner for record keeping purposes.

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASE

The Oil, Gas, and Hydrocarbon Lease listed below has reached the end of its term and expired on the date listed. This lease should be terminated and the lands offered for lease through the Division's Simultaneous filing procedures.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 37278	OXY USA Inc.	T2S, R4E, SLB&M. Sec. 36: Lots 1, 2, 5, 6, S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$	Wasatch 475.47 acres Oct. 31, 1989

Upon recommendation of Mr. Bonner, the Director approved the expiration of ML 37278.

EXPIRATION OF METALLIFEROUS MINERALS LEASES

The Metalliferous Minerals Leases listed below have reached the end of their terms and expired on the dates listed. These leases should be terminated and the lands offered for lease through the Division's Simultaneous filing procedures.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
ML 37008	H.E. O'Bryan Estate c/o Susan O'Bryan Cornett	T21S, R16E, SLB&M. Sec. 34: Lot 9	Grand 11.10 acres Oct. 31, 1989
ML 37282	Steve Obray	T28S, R9W, SLB&M. Sec. 16: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$	Beaver 80.00 acres Oct. 31, 1989
ML 37284	Jedediah Minerals Co. c/o Alma Am Mining Corp.	T39S, R19W, SLB&M. Sec. 36: SW $\frac{1}{4}$	Washington 160.00 acres Oct. 31, 1989

Upon recommendation of Mr. Bonner, the Director approved the expiration of the above captioned leases.

\*\*\*\*\*

PAGE NO. FIVE  
NOVEMBER 20, 1989

RELINQUISHMENT, ML 43094 - METALLIFEROUS MINERALS

Energy Fuels, Ltd., lessee of the above numbered mineral lease, has filed a relinquishment of this lease. I recommend that the lease be terminated and the lands be offered for lease of metalliferous minerals on the Division's Simultaneous Filing procedures.

Upon recommendation of Mr. Mansfield, the Director approved the relinquishment of ML 43094.

\* \* \* \* \*

SURFACE BUSINESS MATTERS

\* \* \* \* \*

GRAZING PERMITS

AMENDED GRAZING PERMIT - GP 20208 (Deletion of Acreage)

Roy C. Kunzler has requested that the following described land be deleted from GP 20208:

<u>T9N, R14W, SLB&amp;M</u> Sec. 2: All	Box Elder County 641.72 Acres
<u>T10N, R13W, SLB&amp;M</u> Sec. 32: All	Box Elder County 640.00 Acres
<u>T10N, R14W, SLB&amp;M</u> Sec. 36: All	Box Elder County 640.00 Acres

Mr. Kunzler is adjusting his allotment with the BLM and these lands will go to Selman Grazing, Inc. and W.F. Goring & Son, Inc. Total acreage deleted 1921.72. The new acreage for this permit will be 3840 acres equaling 256 AUM's. The fee for this amendment is \$20.00.

Upon recommendation of Mr. Wall, Mr. Klason approved the amendment of GP 20208.

PAGE NO. SIX  
NOVEMBER 20, 1989

AMENDED GRAZING PERMITS - GP 20208, GP 21863 (Name Change)

Roy Kunzler has requested that the name on his grazing permits GP 20208 & GP 21863 be changed to the following:

Kunzler Sheep, Cattle and Land Company  
Park Valley, UT 84329

The fee for this change is \$10.00/each for a total of \$20.00 submitted.

Upon recommendation of Mr. Wall, Mr. Klason approved the amendment of GP 20208 and GP 21863.

RELINQUISHMENT OF GRAZING PERMIT - GP 21859

Harold Selman, P.O. Box 175, Tremonton, UT 84337 has agreed to the relinquishment of this grazing permit GP 21859 for consolidation and management purposes. This land is in the same allotment and should be incorporated into GP 20209. The BLM agrees to this adjustment.

Upon recommendation of Mr. Wall, Mr. Klason approved the relinquishment of GP 21859 and the incorporation of the lands into GP 20209.

AMENDED GRAZING PERMIT - GP 20209 (Addition of Acreage)

Harold Selman, P.O. Box 175, Tremonton, UT 84337 has agreed that the following State land be added to his existing permit GP 20209 for management purposes:

T11N, R14W, SLB&M  
Sec. 32: All

Box Elder County  
640.00 Acres

This permit will contain 1891.52 acres equaling 130 AUM's. The BLM is in agreement to this adjustment.

Upon recommendation of Mr. Wall, Mr. Klason approved the amendment of GP 20209.

ASSIGNMENT OF GRAZING PERMIT - GP 20209

Harold Selman has requested permission to assign 100% of his interest in the above grazing permit to Kunzler Sheep, Cattle and Land Company, Park Valley, Utah 84329. The \$20.00 assignment fee has been submitted.

Upon recommendation of Mr. Wall, Mr. Klason approved the assignment of GP 20209.

PAGE NO. SEVEN  
NOVEMBER 20, 1989

RIGHT OF ENTRY

RIGHT OF ENTRY NO. 3476

On November 9, 1989, Patrick D. Spurgin, Director, of State Lands & Forestry pursuant to R632-40-2 approved the request of Sonics Exploration, Inc., 5655 South Yosemite Street #301, Englewood, CO 80111 for a right of entry for a surface type vibroseis seismic survey on the following State lands:

<u>T13S, R18W, SLB&amp;M</u> Sec. 36: W2	Juab County
<u>T14S, R17W, SLB&amp;M</u> Sec. 32: SW4, SW4SE4	Juab County
<u>T14S, R18W, SLB&amp;M</u> Sec. 2: S2SE4 Sec. 36: N2	Juab County

The fee for a seismic survey - surface type vibroseis method is \$200/mile @ 1.873 miles equaling \$374.60, plus a \$50.00 application fee totaling \$424.60. The expiration date is January 31, 1990.

Upon recommendation of Mr. Wall, the Director approved Right of Entry 3476 with an expiration date of January 31, 1990.

PUBLIC SALES

CORRECTION OF SEPTEMBER 25, 1989, DIRECTOR AGENDA (Fees were not included)

Pre Sale No. <u>6675</u>	Sale Amount:	\$250.00
	Advertising Fee:	\$ 45.90
	Application Fee:	\$100.00
	Certication Fee:	\$ 5.00
	Terms of Sale:	Cash

Certificate of Sale No. 24241

Record of Decision No. 89-0605-PS 6675

To whom sold and address:

Utah Department of Transportation  
4501 South 700 West  
Salt Lake City, UT 84119

Upon recommendation of Mr. Wall, the Director approved the above captioned correction.

PAGE NO. EIGHT  
NOVEMBER 20, 1989

SULAS

ASSIGNMENT OF SULA NO. 771

Larry Rogers has requested permission to assign 100% of his interest in SULA No. 771 to Ken Guest, 7124 West Highway 30, Peterboro, UT 84325. The \$20.00 assignment fee has been submitted.

Upon recommendation of Mr. Wall, the Director approved the assignment of SULA 771.

CORRECTION OF SEPTEMBER 5, 1989, DIRECTOR'S AGENDA - SULA # IS INCORRECT

Special Use Lease No. 821, Thiokol, Inc., should be SULA No. 812.

Upon recommendation of Mr. Wall, the Director approved the above captioned correction.

\* \* \* \* \*

EASEMENTS

EASEMENT 24

We have been notified by the Bureau of Land Management, Cedar City, Utah, that they wish to exercise their reserved right of way for ditches and canals for the purposes of conveying water through a pipeline located and described as follows:

Township 25 South, Range 16 West, SLB&M  
Section 18: SE4SW4

Millard County  
.045 acres

Because this is a reserved right of way by the Federal government, no fees are assessed.

Upon recommendation of Mr. Brown, the Director approved Easement 24 to the Bureau of Land Management.



PAGE NO. NINE  
NOVEMBER 20, 1989

MATERIALS PURCHASED

MP 100

Masterblend Corporation, Box 1415, Fillmore, Utah 84631 has made application to acquire a sand and gravel permit on the following described land:

<u>Township 18 South, Range 5 West, SLB&amp;M</u>	Millard County
Sec. 5: Lot 4	61.57 acres
Sec. 6: Lots 1, 2	

Masterblend Corporation is proposing to utilize existing piles of blow sand that exist on the land in drifts with an average size of 4'x4'x4'. There will not be any new excavation. They will simply go into this area on existing roads and remove the drifts as they need them for their operation. This item has been sent to RDCC and no comments were received. This was also advertised for bonus bids prior to the establishment of the new rules and no bids were received. The application and processing of the application to this point was received and completed prior to the establishment of the rules. Staff recommends a materials permit be issued to Masterblend Corporation for a period of five years with a rental of \$615.70 and royalties of \$.30/cu. yd. of material removed.

Upon recommendation of Mr. Brown, the Director approved MP 100.

PAGE NO. TEN  
NOVEMBER 20, 1989

SPECIAL USE LEASES

SPECIAL USE LEASE NUMBER 822

NAME OF LESSEE:  
U S WEST COMMUNICATIONS  
ATTN: DARLENE S NELSON  
250 BELL PLAZA #611  
SALT LAKE CITY UT 84111

LESSEE #: 5400  
RECORD OF DECISION NO. 89-0606-SULA 822

LEASE TYPE: COMM  
DATE OF APPLICATION: 02/22/89  
BEGINNING DATE: 09/01/89  
APPROVAL DATE: 08/11/89  
ACRES: 1.00  
RENTAL: \$600.00  
COUNTY: IRON  
DATE RENTAL RECEIVED: 02/22/89  
LEGAL DESCRIPTION:

DUE DATE: 0901  
APPLICATION FEE: \$50.00  
EXPIRATION DATE: 08/31/09  
REASSESSMENT DATE: 09/01/92  
FUND: SCHOOL  
TERM OF LEASE: 20 YEARS  
PAYMENT AMOUNT: \$750.00

Township 36 South, Range 11 West, SLB&M

Section 36: Beginning at a point which is N00°07'00" 1543.144 feet along the section line and S89°53'00" W 317.501 feet from the rock marking the southeast corner of Section 36, Township 36 South, Range 11 West, Salt Lake Base and Meridian and running thence N07°50'32" W 75.00 feet, thence S07°50'32" E 75.00 feet, thence N82°09'28" E 75.00 feet to the point of beginning.

COMMENTS: Payment amount includes annual rental of \$600.00, and trespass fee of \$150.00.

SULA 822 was approved by the Director on August 11, 1989, and is submitted by Mr. Brown on these minutes for record keeping purposes.

GRAZING PERMIT

ASSIGNMENT OF GRAZING PERMIT GP 20380

Wonda S. Crane, Executrix for the Estate of Elliot Crane, has requested permission to assign 100% of the interest in the above grazing permit to Wonda S. Crane, 196 North 3rd West, Salina, Utah 84654. The \$20 assignment fee has been submitted.

Upon recommendation of Mr. Brown, Mr. Klason approved the assignment of GP 20380.

PAGE NO. ELEVEN  
NOVEMBER 20, 1989

RANGE IMPROVEMENT PROJECT (GP 22619)

The Division has received an application from the permittee to construct and maintain a small stock watering pond on the following State land:

<u>T29S, R11E, SLB&amp;M</u>	Wayne County
Section 2: NE4NE4 (within)	1/4 acre M/L

The pond would be constructed using a small Cat and would be approximately 40'x40'. It is located within a small drainage to collect and store surface runoff for subsequent use by livestock. All costs of the project will be payed by the permittee. This item was sent to RDCC and State History commented that no survey has been completed in this area and that a survey would likely lead to the identification of sites that may be eligible for the National Register. This improvement project will not have any impact on the marketability of this land.

Upon recommendation of Mr. Brown, Mr. Klason approved the above captioned range improvement project for GP 22619.

\* \* \* \* \*

PAGE NO. TWELVE  
NOVEMBER 20, 1989

EASEMENTS

ESMT 1

NAME OF GRANTEE:  
PACIFIC CORP., & OREGON CORPORATION  
dba UTAH POWER & LIGHT COMPANY  
1407 West North Temple  
Salt Lake City, UT 84116

LESSEE NO.: 3820

RECORD OF DECISION NO.: 89-0731-ESMT1

LEASE TYPE: ESMT  
DATE OF APPLICATION: June 19, 1989  
BEGINNING DATE: November 1, 1989  
APPROVAL DATE: October 20, 1989  
ACRES: 3.78  
RENTAL: \$20.00  
COUNTY: San Juan

DUE DATE: January 1, 1992  
APPLICATION FEE: \$50.00  
EXPIRATION DATE: October 30, 2019  
FUND: School  
TERM OF LEASE: 30 Years  
PAYMENT AMOUNT: \$3,974.55

DATE RENTAL RECEIVED: May 8, 1989, June 30, 1989 & October 20, 1989

LEGAL DESCRIPTION:

Township 37 South, Range 24 East SLB&M San Juan Co.

Section 32: W2SW4 - A right of way 25 feet in width being 12.5 feet on each side of the following described survey line: Beginning on the south boundary line of the Grantor's land at a point 160 feet east, more or less, along the Section line from the southwest corner of Sec. 32, T37S, R24E, SLB&M, thence N 50°32' W 1670 feet, more or less, to the west boundary line of said land, said west boundary line also being the west section line of said Sec. 32, and being in the W2SW4 of said Sec. 32. Total length 1670 feet.

Township 38 South, Range 25 East SLB&M

Section 32: N2SW4, SE4SW4, S2SE4 - A right of way 25 feet in width, being 12.5 feet on each side of the following described survey line: Beginning at the south boundary line of the Grantor's land at a point 1163 feet west, more or less, along the Sec. line from the southeast corner of Sec. 32, T38S, R25E, SLB&M, thence N 58°58' E 2294 feet, more or less, thence N 76°11' W 2220 feet, more or less, to the west boundary line of said land, said west boundary line also being the west Section line, and being in the N2SW4, SE4SW4, and S2SE4 of said Sec. 32. Total length 4514 feet.

ESMT 1 (cont.)

Township 38 South, Range 25 East SLB&M


Section 32: SE4SE4 - A right of way 25 feet in width, being 12.5 feet on each side of the following described survey line:  
Beginning at the south boundary line of the Grantor's land at a point 265 feet west, more or less, along the Sec. line from the southeast corner of Sec. 32, T38S, R25E, SLB&M, thence N 52°19' E 239 feet, thence N 36°19' E 135 feet, more or less, to the east boundary line of said land and being in the SE4SE4 of said Sec. 32. Total length 374 feet

COMMENTS: Easement is for construction and maintenance of a 25 KV powerline.

Easement 1 was approved by the Director on October 20, 1989 and is submitted by Mr. Baker on these minutes for record keeping purposes.

\* \* \* \* \*

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	10.50	10.00

  
\_\_\_\_\_  
FOR - PATRICK D. SPURGIN, DIRECTOR  
DIVISION OF STATE LANDS/FORESTRY

  
\_\_\_\_\_  
LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209